

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: March 31, 2003

SUBJECT: Fiscal Impact Statement: "Fiscal Year 2003 Budget Support Amendment Act of 2003"

REFERENCE: Draft Legislation as Introduced by the Mayor [\[Bill 15-225\]](#)

Conclusion

The proposed legislation, the Fiscal Year 2003 Budget Support Amendment Act of 2003, supplements and closes out the District's FY 2003 budget and financial plan. As a result of implementing the provisions of the proposed legislation an estimated \$21.0 million will be converted in the General Fund from dedicated non-tax revenues ("O" type) to non-dedicated, non-tax revenue. In addition, the proposed legislation authorizes the allocation of \$23.7 million from undesignated reserves to cover revenue shortfalls.

[Title I – Freeze of Within-Grade Salary Increases Act of 2003:](#)

Background

The purpose of the proposed title is to place a District-wide freeze on certain pay increases. The freeze applies to increases that are the result of basic rate of pay advancement due to higher steps or other increments that are found within the same grade, class, or pay level. This is to include levels based on quality, length of service, or both. The provisions of the title are to take effect immediately and for the remainder of FY 2003 expiring on September 30, 2003.

In addition, the proposed title requires that service time that would have been earned in FY 2003 (October 1, 2002 through September 30, 2003) shall not be computed into an employee's length of service for a within-grade salary increase.

Financial Plan Impact

Funds are sufficient in the FY 2003 through FY 2006 budget and financial plan because the proposed legislation will require no additional staff and resources to implement.

Title II – Abolishment of the Rental Housing Commission Amendment Act of 2003:

Background

The proposed title moves the authority and functions of the Rental Housing Commission to DCRA. In addition, jurisdiction for certain disputes will be deferred from the Rental Housing Commission to the D.C. Superior Court.

Financial Plan Impact

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to implement the provisions of the proposed title because no additional staff or resources will be required.

Title III – Funds Adjustment Amendment Act of 2003:

Background

The proposed title transfers funds within the District's General Funds from dedicated non-tax revenue ("O" type) accounts to non-dedicated, non-tax revenue accounts. The table in Figure 1 presents the source of the funds that are to be transferred.

Figure 1.

Fund Title	Amount
Nuisance Abatement Fund	\$2,300,000
Real Estate Guarantee and Education Fund	700,000
Master License Fee Fund	1,500,000
Land Acquisition for Housing Development Opportunity Fund	850,000
D.C. Recycling Program Fund	1,000,000
International Registration Program	1,000,000
ABRA Administration	460,000
Medicaid Reserve Fund	13,229,000
TOTAL	\$21,039,000

Financial Plan Impact

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to implement the provisions of the proposed title because no additional staff or resources will be required. Approximately \$21.04 million in dedicated "O" type accounts will be re-designated as non-dedicated local General Funds.

Title IV – Allocation of Budgeted Reserve Funds Act of 2003:

Background

The proposed title will authorize the use of and allocate existing FY 2003 unspent and undesignated reserve funds to certain District programs.

Financial Plan Impact

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to implement the provisions of the proposed title because no additional staff or resources will be required. An estimated \$23,729,000 of unspent reserves will be used to cover revenue shortfalls.

SUMMARY

The following tables present a summary of the net impact of the proposed legislation to the FY 2003 through FY 2006 budget and financial plan. The table in Figure 2 presents the financial plan impact to local General Funds and "O" type General Funds.

Figure 2.

Net Impact to General Fund Revenue					
(\$ in millions)					
Item	FY 2003	FY 2004	FY 2005	FY 2006	4 - Year Total
Dedicated "O" Fund	(\$21.04)	\$0.00	\$0.00	\$0.00	(\$21.04)
Subtotal					
Non-Dedicated Revenue	21.04	0.00	0.00	0.00	21.04
Subtotal					
Net Annual Impact	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

mrj

The table in Figure 3 presents undesignated reserves which will be allocated in the FY 2003 budget and financial plan to cover revenue shortfalls.

Figure 3.

Net Increase to the FY 2003 Budget and Financial Plan				
(\$ in millions)				
FY 2003	FY 2004	FY 2005	FY 2006	4 - Year Total
\$23.73	\$0.00	\$0.00	\$0.00	\$23.73

The Chief Financial Officer's legislative fiscal analysis is prepared by the Special Projects and Fiscal Analysis Administration in the Office of Research and Analysis. Contact us at 441 4th Street, NW, Suite 400S, Washington D.C., 20001 or view our work on-line at <http://cfo.dc.gov>.